CLAIMS

What is claimed is:

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1. A gaming device for use in a cashless gaming system, comprising: a data device reader adapted to receive and read portable data devices; a game device processor; and

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a security module interposed between said data device reader and said game device processor, said security module preventing communication between said data device reader and said game device processor unless said data device reader is authenticated by said security module upon one of said portable data devices being received by said data device reader.

- 2. The gaming device of claim 1, wherein said portable data devices comprise smart cards, and wherein said data device reader comprises a smart card reader.
 - 3. An intelligent data reader for use in a gaming device, comprising:
- a data device interface adapted to receive and read portable data devices, each of said portable data devices associated with a player;
 - a gaming device interface for connection to the gaming device;
 - a memory; and

a processor connected to said memory, said data device interface and said gaming device interface, said processor configured to communicate with the gaming device over said gaming device interface and to store session gaming data for each player in said memory.

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- 4. The intelligent data reader of claim 3, wherein each portable data device stores a credit amount allowing the player associated with the portable data device to utilize the gaming device.
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 - The intelligent data reader of claim 4, wherein a portion of said credit amount is 5. automatically conveyed by said intelligent data device reader to the gaming device upon presentation of said portable data device to said data device interface.

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- 6. A security module for use in a gaming device, comprising: a data device reader interface for connection to a data device reader; a gaming device interface for connection to a game device processor; and a processor interposed between said data device reader interface and said gaming device interface, said processor configured to prevent communication between said data device reader and said game device processor unless said data device reader is first authenticated.
- 7. The security module of claim 6, wherein said processor allows communications to pass through unimpeded between said data device reader and said game device processor after authentication of said data device reader.
- 8. The security module of claim 6, wherein said processor is configured to perform periodic authentication of said data device reader after said data device reader is first authenticated, and to prevent communication between said data device reader and said game device processor if said data device reader fails said periodic authentication.
- 9. The security module of claim 6, wherein said data device reader is first authenticated when said processor generates a first random number, enciphers said first random number using a common key to generate a first enciphered random number, sends said first enciphered random number to said data device reader over said data device reader interface, receives a second enciphered random number from said data device reader over said data device reader interface, deciphers said second enciphered random number using said common key to generate a second random number, generates a session key from said first random number and said second random number, receives a third enciphered number from said data device reader over said data device reader interface, deciphers said third enciphered number using said session key to generate an authentication test value, and verifies that said authentication test value matches said second random number.
 - 10. A secure, cashless gaming system, comprising:a plurality of gaming devices, each of said gaming devices comprising

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a security module;

a gaming device processor; and

an intelligent data device reader adapted to receive and read portable data devices, said intelligent data device reader storing data for individual gaming sessions in a local memory;

a portable data extractor adapted to be received by said intelligent data device reader, said portable data extractor comprising memory for storing said data for individual gaming sessions from said plurality of gaming devices.

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